

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

DOCKET NO. 2000-588

August 1, 2000

BANGOR WATER DISTRICT
Application for Approval of Issue of Securities/
Lease with Municipal Services Group, Inc.
(\$ 902) (\$525,000)

ORDER APPROVING
ISSUES OF SECURITIES/
LEASE

WELCH, Chairman; NUGENT and DIAMOND, Commissioners

In this Order we authorized Bangor Water District (the District) to issue a revenue bond.

On July 11, 2000, the District filed with the Commission its application for authority to enter into a lease/purchase with Municipal Services Group, Inc. in a sum not to exceed \$525,000, at an annual rate not to exceed 6.50 %, over a term not to exceed 5 years for the purchase of meters. The District also solicited interest rate bids from six banks for the issuance of a revenue bond with a 5-year term. If a lower rate was offered by any of the six banks, the trustees would decide whether to issue the revenue bond instead of entering into a lease/purchase with Municipal Services Group, Inc. On July 13, 2000, the District received a bid from Bangor Savings Bank with a fixed interest rate of 5.38%. The District trustees approved this bid on July 18, 2000. On July 19, 2000 the District filed a revised application to reflect the above, deleting all references to a possible lease/purchase.

The District requires these funds for the purposes of acquiring meters for accurate water flow measurements. The District anticipates that the meters will generate additional revenues sufficient to amortize their costs over five years. The outright purchase will be less costly than the lease/purchase option.

Having reviewed the application of the District, together with data filed in support of it, the Commission opines that the proceeds of the issuance of the note are required in good faith for the purposes enumerated in 35-A M.R.S.A. § 901. In approving this securities issue, consistent with normal practice and pursuant to 35-A M.R.S.A. § 902 (4), the Commission does not imply approval of the District's capital needs or capitalization ratio for ratemaking purposes, nor does this Order limit or restrict the powers of the Commission in determining or fixing any rate.

Accordingly, we

O R D E R

1. That the Bangor Water District is hereby authorized to issue its revenue bond in a sum not to exceed \$525,000, at an annual interest rate not to exceed 5.38 percent per year to Bangor Savings Bank over a term not to exceed 5 years.

2. That the District report to this Commission, in writing, its actions pursuant to this Order within (60) days of the date of the sale of the proposed bonds, or by October 31, 2000, whichever may come first.

3. That the Administrative Director is hereby directed to mail an attested copy of this Order to interested parties and to close this Docket.

Dated at Augusta, Maine, this 1st day of August, 2000.

BY ORDER OF THE COMMISSION

Dennis L. Keschl
Administrative Director

COMMISSIONERS VOTING FOR: Welch
Nugent
Diamond

NOTICE OF RIGHTS TO REVIEW OR APPEAL

5 M.R.S.A. § 9061 requires the Public Utilities Commission to give each party to an adjudicatory proceeding written notice of the party's rights to review or appeal of its decision made at the conclusion of the adjudicatory proceeding. The methods of review or appeal of PUC decisions at the conclusion of an adjudicatory proceeding are as follows:

1. Reconsideration of the Commission's Order may be requested under Section 1004 of the Commission's Rules of Practice and Procedure (65-407 C.M.R.110) within 20 days of the date of the Order by filing a petition with the Commission stating the grounds upon which reconsideration is sought.
2. Appeal of a final decision of the Commission may be taken to the Law Court by filing, within 30 days of the date of the Order, a Notice of Appeal with the Administrative Director of the Commission, pursuant to 35-A M.R.S.A. § 1320(1)-(4) and the Maine Rules of Civil Procedure, Rule 73, et seq.
3. Additional court review of constitutional issues or issues involving the justness or reasonableness of rates may be had by the filing of an appeal with the Law Court, pursuant to 35-A M.R.S.A. § 1320(5).

Note: The attachment of this Notice to a document does not indicate the Commission's view that the particular document may be subject to review or appeal. Similarly, the failure of the Commission to attach a copy of this Notice to a document does not indicate the Commission's view that the document is not subject to review or appeal.